Forward trading in bullion

2018. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are going to allow forward trading in bullion;

(b) if so, when such trading was stopped; and

(c) the reasons for allowing such trading now?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) In exercise of the powers conferred by the Forward Contracts (Regulation) Act, 1952, the Central Government banned forward contract for sale or purchse of gold through a gazette notification dated 13th November, 1962. According to the Reserve Bank of India (RBI), at the time of formulation of Gold Deposit Scheme in 1999, the Central Government, *vide* its notification dated 19th August, 1999 exempted all forward contracts for the sale and purchase of gold within the country from the operation of the provisions of the Forward Contracts (Regulation) Act, 1952, if one of the parties of the contract is RBI to deal in gold. However, RBI stipulated that banks launching the scheme could enter into forward contracts only with those banks that are authorized to import gold. In effect this meant that banks could not enter into such contracts with their clients.

However, banks have now gained sufficient experience in dealing with gold and have established prudent risk management procedures. Thus, RBI has allowed banks to enter into forward contracts in gold with their clients subject to certain conditions.

Utilisation of unclaimed dividends

2019. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have decided that the company dividend unpaid and unclaimed for seven years will be put in investors education and protection fund; and

(b) if so, what will be the position of such dividend lying with companies for more than seven years?